Approved For Release 2004/12/15 CIA-RDP66B00403R000400050010-0

25X1

One hundred and fifty Panamanian students from the National Institute, point of origin of many anti-United States demonstrations, entered the Panama Canal Zone on the evening of 9 January to protest the flying of the American flag by US students of Balboa high school. Permission for the march was granted by Minister of Education Manuel Solis-Palma, known associate of communists and revolutionaries.

Following the outbreak of violence, Thelma King, pro-Castro deputy to the National Assembly, led a mob of 1,000 to National Guard headquarters demanding arms to fight the Americans. The Guard broke up the demonstration.

The US Embassy, the offices of the Alliance for Progress, the Pan American Airlines building and other buildings and stores were attacked by the mobs.

A general assembly of all students, to which the general public was invited, was scheduled for 11 am, 10 January, by Communist student leader Victor Avila.

Communist students were urging the rioters to continue and Radio Tribuna was inciting the crowds to further violence. The National Guard was trying to silence the radio station.

Bishop Marcos McGrath was summoned to National Guard headquarters for advice on ways to quiet the crowds. And, at a meeting of university teachers, summoned by the Rector of Panama University, a cable was written to Pope Paul VI asking him to intercede for the Panamanians.

Cables were also sent to the heads of every Latin American nation asking their moral support.

Presidential candidate Marco Robles, while assuring that his friendship for the United States continued, warned that much unpleasantness could be expected in the days ahead as a result of these tragic events. Robles was angry with what he called "those Americans who do things like this."

The events of 9 and 10 January can be expected to bring forth not only extremely critical statements from Panamanian politicians but will undoubtedly cause many genuine friends to turn against the United States.

There are seven known dead Panamanians and approximately 80 wounded as of this writing. The riots have spread to Colon where a mob of 2,000 were massed at the border of the Zone. Efforts by Rector Garay of the University of Panama to have the funerals of the Panamanian dead conducted at a cemetary somewhat removed from the vicinity of the Zone in order to lessen tension were questioned by two teachers at the meeting who believed that tension should be kept up in order to strengthen Panama's case for a revision of the 1903 treaty.

10 January was declared a day of national mourning. With the closing of all schools, businesses, and government offices, the streets will be filled with crowds, adding further to the inflammatory situation.